



Government of the District of Columbia



Office of the City Administrator

Testimony of
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City Administrator

**Public Hearing on the
Proposed Fiscal Year 2014 Budget of the
Office of the City Administrator**

Before the
Council of the District of Columbia
Committee on Government Operations
The Honorable Kenyan McDuffie, Chairperson

May 2, 2013
10:00 a.m.

Council Chamber
John A. Wilson Building
1350 Pennsylvania Avenue, NW
Washington, DC 20004

Good morning, Chairperson McDuffie and members of the Committee on Government Operations. My name is Allen Y. Lew and I am the City Administrator of the District of Columbia. Thank you for this opportunity to provide testimony on the proposed fiscal year 2014 budget of the Office of the City Administrator (OCA). Joining me today are members of my staff including Warren Graves, the office's chief of staff, and Natasha Campbell, who is the director of the Office of Labor Relations and Collective Bargaining.

The mission of the Office of the City Administrator is to facilitate the effective and efficient implementation of the Mayor's policies by providing leadership, support, and oversight of District agencies. To carry out these functions, OCA is divided into the following core groups:

1. The Performance Management and Analysis ("PMA")

Division is composed of program analysts who work across all agency clusters. The staff in this division oversee agency performance planning and accountability, provide agencies with policy guidance throughout the year, and assist in coordinating multi-agency and multi-cluster services and activities.

The Performance Management Division is also responsible for more in-depth oversight of agencies in the Government Operations cluster, including both agencies that focus on internal operations of the government, such as Department of Human Resources, Office of Contracting and Procurement, and Office of the Chief Technology Officer, and public-facing agencies, such as the Department of Motor Vehicles and the Department of Transportation.

2. The Policy and Legal Resources Division is responsible for legislative and regulatory review and formulation within the Office; provides legal guidance to program analysts; and provides legal and policy analysis and advice to the City Administrator. This division also houses the grants oversight function of the office.

3. The Public Affairs/DCStat Division performs internal and external communications functions for OCA and operates DC Stat — a performance-based accountability program that identifies opportunities to make District government run more efficiently while providing a higher quality of service to its residents. This division is

also responsible for ensuring that data and other information of the Office are transparent and accessible to the public. As part of the effort to carry out this responsibility, the OCA website has been revamped to provide better access to existing data and a more comprehensive overview of the functions of the office.

4. The Office of Labor Relations and Collective Bargaining (OLRCB) serves as the executive's representative in negotiating collective bargaining agreements and is responsible for representing the District as the principal management advocate in the administration of a comprehensive labor management program. OLRCB's areas of responsibility include representing management before the Public Employee Relations Board; representing the Mayor and District agencies in collective bargaining negotiations; developing and presenting cases in mediation and arbitration proceedings; and advising the Mayor and District departments, offices, and agencies concerning all aspects of labor relations.

The Deputy Mayor for Education, Deputy Mayor for Health and Human Services, Deputy Mayor for Planning and Economic Development,

and Deputy Mayor for Public Safety and Justice all report to the City Administrator, and the Office of City Administrator works continuously with those offices to ensure that multi-agency activities are coordinated across government clusters, District-wide policies are implemented by all agencies, and to generally assist in the successful operations of agencies reporting to the Deputy Mayors.

OCA is also the main liaison with the Office of the Attorney General and the Office of the Chief Financial Officer as well as many public authorities including the Washington Metropolitan Area Transit Authority (WMATA), DC Water, Events DC, and the Metropolitan Washington Council of Governments (COG).

Before turning to the fiscal year 2014 budget request, I would like to take this opportunity to describe some of OCA's recent activities.

In the past year, OCA led the efforts of the Mayor's Task Force on the Prevention of Flooding in Bloomingdale and LeDroit Park, which I co-chaired with DC Water General Manager George Hawkins. This Task Force was established in response to overland flooding and sewer backups that occurred during the summer of 2012 in the Bloomingdale and LeDroit Park

neighborhoods. Although the Task Force was created in response to those recent events, flooding issues have been documented in the Bloomingdale and LeDroit Park neighborhoods as far back as the late 1800s.

The Task Force was charged with an ambitious scope of work and an aggressive schedule for developing mitigation measures, while at the same time tackling substantial engineering challenges. Catch basin enhancements, installation of underground storage systems, and distribution of rain barrels, which will help control the flow of stormwater and reduce flooding, are short-term mitigation measures that have already been implemented.

In December, Mayor Gray announced that the District and DC Water would also proceed with more substantial infrastructure investments recommended by the task force. These investments, labeled the Northeast Boundary Neighborhood Protection Project, will be completed in three phases. The first phase consists of the construction of two new water storage tanks at the McMillan Sand Filtration site, which will hold up to 6 million gallons of stormwater. This will help reduce the excessive pressure that currently causes sewer backups and overland flooding during

heavy rain storms. This phase is scheduled for completion during the first quarter of 2014.

In the second phase, a new tunnel will be built under First Street, NW, to store an additional 6 million gallons of stormwater and wastewater from a combined sewer line. That construction will be completed by the spring of 2016.

The third phase of the project is the Northeast Boundary Tunnel; although this tunnel was planned before the task force process, we plan to accelerate the design and construction of the tunnel by three years. The original completion date was scheduled to be 2025; based on the recommendations of the task force, DC Water has accelerated the completion date to 2022.

OCA is also leading the efforts of the Mayor's Power Line Undergrounding Task Force, which I co-chair with Joe Rigby, Chairman of the Board of Directors at Pepco Holdings. The task force was created after a series of powerful storms hit the District in 2012, resulting in significant disruptions to electric service to residents and businesses. The main goal of the Task Force is to identify practical options for power line system

improvements that will increase the reliability of service, particularly during severe weather events.

As part of that effort, the task force has analyzed the technical feasibility and reliability implications of undergrounding existing overhead distribution facilities. Through this work, the task force identified opportunities to underground the most problematic feeder lines and to sequence the undergrounding work with other projects being performed within the District, to help ensure that maximum synergies and cost benefits are obtained. We hope to issue a report with a detailed set of recommendations in the next few weeks.

Another important activity of the Office of the City Administrator is the Streetcar Financing and Governance Task Force, which I also chair. Created to provide recommendations to the Mayor on the planned DC streetcar system, the Task Force is charged with a number of tasks, including:

- Providing detailed cost estimates for the construction, operation, and maintenance of the streetcar system;

- Examining potential sources of funds for the construction, operation, and maintenance, including District capital and operating funds, special assessments, tax increment financing, private investments, value capture mechanisms, fare box revenue, advertising revenue, regional contributions, and federal funds;
- Examining potential forms of governance for the construction and operation of the streetcar system, including the establishment of an independent agency.

The task force includes 14 members, 8 of whom are from District agencies and 6 of whom are public members. One of the public members, Jair Lynch, serves as vice chair, and his contributions, and those of all the public members, have substantially advanced the work of the task force. I anticipate that by the end of the year we will submit a report to Mayor Gray that will provide findings, recommendations, and priority actions to facilitate successful implementation of the streetcar system in the District of Columbia.

In FY2013, Mayor Gray appointed me as the Chairman of the DC Water Board of Directors. Staff members in both the Office of the City

Administrator and DC Water are supporting me in this role. Since becoming the Chairman, DC Water has issued its Blue Horizon 2020 Strategic Plan, which presents a focused course of action and detailed implementation plan for the next seven years. In addition, the board recently approved the new Blue Plains Intermunicipal Agreement (IMA), which is an agreement between the District, DC Water, Fairfax County, Montgomery County, Prince George's County, and the Washington Suburban Sanitary Commission that governs the collection and treatment of wastewater at the Blue Plains treatment facility. These activities were previously governed by an outdated 1985 agreement. The successful negotiation of the new IMA agreement took about 10 years and is a major accomplishment for both DC Water, the District of Columbia, and the various suburban jurisdictions.

In the area of labor relations, OCA has helped lead the Administration's efforts to work cooperatively with unions that represent District employees and also to address issues raised by unions representing private employees. That process has led to improved overall labor relations

and a renewed sense of trust and confidence in the labor-management relationship.

My office continued its quarterly briefings with labor leaders, including representatives of the American Federation of State, County and Municipal Employees, the American Federation of Government Employees, the National Association of Government Employees, the Fraternal Order of Police, the Service Employees International Union, the Washington Teachers' Union, the International Brotherhood of Teamsters, the District of Columbia Nurses Association, the International Association of Fire Fighters, and the Doctors Council of the District of Columbia.

As City Administrator, I have taken an active role in meeting with agency directors and labor leaders to discuss various issues and challenges. This process has led to the resolution of many issues and has served to strengthen cooperation between labor and management. I also directed the directors of OLRCB and the Department of Human Resources to facilitate sessions with union leaders to provide information and address the unions' questions and concerns regarding how DCHR implements,

interprets, and administers certain provisions of the District Personnel Manual.

Moreover, as you and the Council are aware, Mayor Gray recently announced that he is making good on a commitment to reward employees with a long-overdue pay raise of three percent. The raises will apply to both union and non-union employees and are the first pay increases for most employees in four years, and for many, it is the first raise in as many as seven years.

For the District's largest bargaining units (about 9,000 employees), the three percent increase will be the first installment on a twelve percent salary increase over five years. We have so far completed eight collective bargaining agreements, and there are others that are in various stages of negotiation. We intend to resolve all of the outstanding negotiations in a way that is fair to our workers and District taxpayers.

The Administration has included the estimated costs of the pay raises in the fiscal year 2013 supplemental budget and associated legislation recently submitted to Council. The pay raises the Mayor has proposed will be retroactive to April and I urge the Council's swift approval.

I want to take this opportunity to publicly thank Natasha Campbell, our director of the Office of Labor Relations & Collective Bargaining, and all of our union partners for working together to pave the way for rewarding our hard-working employees.

FY14 Budget Proposal

Turning now to the budget, OCA's proposed budget for FY14 is \$3.72 million, an increase of approximately \$30,000 from the FY13 approved budget. Of the total proposed OCA FY14 budget, \$3.54 million is dedicated to personal services and \$180,000 is dedicated to non-personal services. Note that these amounts are slightly different from the amounts in the Budget Book, which included \$3.46 million in personal services budget authority and \$262,000 in non-personal services budget authority. This technical correction was included in the errata letter that the Mayor transmitted to the Council earlier this week and does not change the total proposed budget of OCA for FY14.

The proposed FY14 personal services budget is approximately \$190,000 more than the FY13 approved personal services budget. This

increase supports one additional FTE, which would bring the authorized FTE level of OCA from 26 to 27. Please note that the Budget Book lists the proposed FY14 FTE authorization level as 26 FTEs; a technical correction has been submitted to reflect the actual request for 27 FTEs. The increase to the personal services budget also supports salary, step, and fringe benefits adjustments.

Of the 27 employees, one will be in the Agency Management Program, 12 will be in the City Administrator Program, and 14 will be in the Labor Relations and Collective Bargaining Program.

The proposed FY14 non-personal services budget of OCA is \$180,000. The non-personal services budget is dedicated largely to supplies, legal research databases, information technology, and reports and studies to support improvements to government operations. The proposed FY14 non-personal services budget is \$160,000 less than the FY13 approved amount. The decrease is due largely to reductions in “contractual services” and “other services and charges,” which were achieved through a thorough scrubbing of expenses, and the elimination of one-time costs.

OCA's proposed FY14 budget is comprised almost solely of Local funds. Of the \$3.72 million in proposed total funding, \$3.34 million is Local funding. The remaining funding, \$336,000, is intra-District funding that will reimburse the Office of Labor Relations and Collective Bargaining for the costs of certain services it provides to third-party agencies.

Thank you for the opportunity to testify today, my staff and I are available for any questions that you may have.